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Soviet Spy Trial Hears Evidence of Big Cash Deals

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SAN FRANCISCO, May 24 — Nine weeks into the espionage and tax fraud trial of Jerry A. Whitworth, prosecutors have begun detailing vast amounts of evidence as to the financial dealings of the defendant in an attempt to prove he received \$332,000 in exchange for stolen Navy cryptographic data.

Because the Government has the testimony of only one witness in an effort to prove that Mr. Whitworth received cash for passing military information, the prosecution is also attempting to prove charges of tax fraud to bolster the espionage case. Prosecu-

tors are trying to show that the defendant's expenditures far outstripped his legitimate earnings as a Navy radio-man and his retirement benefits.

The evidence has done much to dispel the image Mr. Whitworth had presented of living in modest style in a mobile home in Davis, a community east of Sacramento, where Mr. Whitworth's wife, Brenda L. Reis, attended the University of California. She earned a doctorate in nutrition while Mr. Whitworth floundered in his attempts to make a new career after his retirement from the Navy in October 1983 as a chief petty officer.

No testimony has yet been presented

as to Mr. Whitworth's earnings from the Navy. A spokesman for the Navy in Washington said today that the typical salary at Mr. Whitworth's rank in 1983 was about \$24,000 a year with retirement benefits of about \$14,000 annually.

Many Transactions Detailed

The jury has heard evidence from more than two dozen witnesses regarding many thousands of dollars Mr. Whitworth spent, often in cash or with cashier's checks, for automobiles, motorcycles, gold coins and camera equipment over the past decade.

The evidence presented in Federal District Court paints a portrait of a

man his Navy friends remembered as a self-taught expert in the dealings of the investment world, but who, in fact, failed the examination to become a stock broker, reported thousands of dollars in losses in the stock market and lost a \$10,000 investment in commodities futures.

Several witnesses testified about Mr. Whitworth's cash expenditures in 1983. After his retirement, he was unemployed until his arrest in June 1985.

The indictment charges that late in 1982, Mr. Whitworth met with John A. Walker Jr., who has acknowledged heading the Soviet spy ring to which Mr. Whitworth is accused of belonging, passed classified Navy data and received \$50,000 in cash.

The next year, Mr. Whitworth and his wife reported a total income of \$26,654, which included deductions for

losses in the stock market. Testimony from witnesses showed in that year, Mr. Whitworth paid \$5,238 in loan payments to a credit union, all of it in cash. He also set up an options trading account with Kidder Peabody & Company, depositing \$19,000 by cash and checks.

Also in 1983, Mr. Whitworth sent a telegram to his wife from his ship, directing her to buy 10 Kruegerlands, advising her, "use cash, discretion please." The coins were purchased with cash for \$4,380.

In 1980, Mr. Whitworth reported income of \$26,380 and gains in the stock market of \$7,000, his accountant testified. The Government charges that Mr. Whitworth received \$100,000 in cash from Mr. Walker in 1980.

In 1981, Mr. Whitworth reported a total income of \$10,111 and a stock mar-

ket loss of \$9,000. Evidence showed that he also paid more than \$2,000 to the credit union and placed \$4,000 in savings there, all of it in cash. In the same year, according to testimony, he traded in the van and a sports car purchased in 1979 and bought two new cars that cost more than \$41,000. He also paid more than \$5,000 in cash as a down payment for the vehicles.

The indictment charges that he received \$50,000 in cash from Mr. Walker in that year.

The defense has not aggressively attacked the testimony of the witnesses, who also presented records of the transactions. Defense attorneys have not indicated what evidence they might present to show legitimate sources of income to sustain such expenditures.